## Message Text

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**ACTION EUR-12** 

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E.O. 11652: N/A

TAGS: SENV, ENRG, CA

SUBJ: BEUFORT SEA OIL SPILLS

1. SUMMARY: EXTAFF SUMMONED EMBOFF LATE JAN 29 TO GIVE AIDE-MEMOIRE ON INITIAL FINDINGS OF A COMPREHENSIVE ENVIRONMENTAL STUDY FOR EXPLORATORY OFFSHORE DRILLING FOR OIL IN THE BEAUFORT SEA. NOTE PROPOSED USG-GOC CONSULTATIONS ON SUBJECT. IT ALSO GAVE EMBASSY A BACKGROUND INFORMATION PAPER ON OFFSHORE DRILLING PARTICULARLY IN THE BEAUFORT SEA. EXTAFF, USA DIVISION OFFICIAL BRADY COMMENTED THAT EXTAFF WISHED TO GAVE THESE DOCUMENTS TO USG PRIOR TO OFFICIAL RELEASE TO PRESS THE FOLLOWING DAY (RELEASE RUSHED BECAUSE OF PRESS LEAKS), SINCE ONE OF CONCLUSIONS OF STUDY IS THAT NORTH

COAST OF ALASKA COULD BE GRIEVIOUSLY DAMAGED IF AN OFFSHORE CANADIAN RIG SHOULD BLOW. FOLLOWING IS TEXT OF AIDEMORE. END SUMMARY.

2. "THE DEPARTMENT OF EXTERNAL AFFAIRS PRESENTS ITS COMPLIMENTS TO THE UNITED STATES EMBASSY AND HAS THE LIMITED OFFICIAL USE

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HONOUR TO CONVEY THE INITIAL FINDINGS OF A COMPRE-

EHSNIVE ENIRONMENTAL SUTDY FOR EXPLORATORY OFF-SHORE DRILLING FOR OIL IN THE BEAUFORT SEA, TOGETHER WITH A BACKGROUND INFORMATION PAPER ON OFFSHORE DRILLING IN NORTHERN CANADA WITH SPECIAL REFERENCE TO THE BEAUFORT SEA.

3. "SOME THREE YEARS AGO, THE CANADIAN AUTHORITIES GAVE APPROVAL IN PRINCIPLE FOR EXPLORATORY OFFSHORE DRILLING FOR OIL IN THE BEAUFORT SEA, A DECISION ON FINAL APPROVAL BEING CONTINGENT UPON COMPLETION OF APPROP-PRIATE ENVIRONMENTAL STUDIES AND ESTABLISHMENT OF APPROPRIATE TECHNICAL AND ENVIRONMENTAL CON-STRAINTS SO THAT THE PROPOSED DRILLING WOULD BE CARRIED OUT IN SUCH A WAY AS NOT TO CONSTITUTE AN UNACCEPTABLE ENVIRONMENTAL RISK, ACCORDINGLY, A COMPREHENSIVE EN-VIRONMENTAL STUDY WAS UNDERTAKEN BY THE CANADIAN DEPART-MENT OF THE ENVIRONMENT, WITH THE COOPERATION OF THE OIL INDUSTRY. THIS STUDY, WHICH IS CURRENTLY BEING REVIEWED BY THE CANADIAN GOVERNMENT, INCLUDES SOME 40 INDIVDUAL STUDIES, AND WAS RECENTLY COMPLETED AFTER TWO YEARS' INTENSE EFFORT AT A COST OF SOME \$12 MILLION OF GOVERNMENT AND PRIVATE FUNDS. ITS PRINCIPAL FIND-INGS HAVE BEEN INCORPORATED INTO A SUMMARY PAPER, ENTITLED "OFFSHORE DRILLING FOR OIL IN THE BEAUFORT SEA - A PRELIMINARY ENVIRONMENTAL ASSESSMENT." A COPY OF THIS SUMMARY, WHICH IS BEING RELEASED TO THE CANADIAN PUBLIC, IS ATTACHED, TOGETHER WITH A COPY OF THE ABOVE MENTIONED BACKGROUND PAPER WHICH HAS BEEN PREPARED FOR GENERAL PUBLIC USE. CURRENT INDUSTRY PLANS ENVISAGE THE DRILLING OF PROBABLY TWO EXPLORA-TORY OIL WELLS FROM ICE-STRENGTHENED DRILL SHIPS IN THE SOUTHERN BEAUFORT SEA DURING THE ICE-FREE SUMMER SEASON OF 1976. AS INDICATED ON THE MAP ON PAAGE 3 OF THE SUMMARY PAPER.

4. "THE CANADIAN AUTHORITIES HAVE NOTED THAT THE UNITED STATES IS ALSO ACTIVELY CONSIDERING THE POSSIBILITY OF SIMILAR EXPLORATORY DRILLING ACTIVITIES OFF THE COAST OF ALASKA. IN LIGHT OF THE UNIQUE FEATURES OF THE ARCTIC ENVIRONMENT, AND OF THE COMPREHENSIVE STUDIES LIMITED OFFICIAL USE

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CARRIED OUT TO DATE WITH RESPECT TO THE CANADIAN BEAUFORT SEA PROJECT, THE EMBASSY (SIC) WOULD LIKE TO PROPOSE AN EXHCNAGE OF VIEWS ON THE GENERAL QUESTION OF THE ENVIRONMENTAL IMPLICATIONS OF OFFSHORE DRILLING FOR OIL AND GAS IN ARCTIC WATERS. IN THIS CONTEXT, THE CANADIAN AUTHORITIES WOULD BE PLEASED TO MAKE AVAILABLE COPIES OF ANY OF THE CONSTITUENT PARTS OF THE PRESENT BEAUFORT SEA STUDY WHICH MAY BE OF

INTEREST TO THE UNITED STATES. A LIST OF THESE STUDIES IS INCLUDED AS ANNEX 2 OF THE BACKGROUND PAPER." END TEXT OF AIDE-MEMORE.

5. THE PRELIMINARY ENVIRONMENTAL ASSESSMENT GENERALLY CONCLUDES THAT EXISTING TECHNOLOGY COULD NOT COPE WITH AN OILWELL BLOWOUT IN THE BEAUFORT SEA, PARTICULARLY ONE THAT OCCURRED JUST BEFORE WINTER. IT COULD TAKE A YEAR OR MORE TO BRING IT UNDER CONTROL AND CLEANING UP COULD PROVE VERY DIFFICULT. ALTHOUGH THE REPORT ESTIMATES THAT THE CHANCES FOR A BLOWOUT ARE LOW - ABOUT 1 IN 1,000 TO 1 IN 10,000 - IT POINTS OUT THAT TECHNOLOGY IS "SEVERELY LIMITED" TO REDUCE ENVIRONMENTAL DAMAGE. WHILE THE STUDY NOTES THAT A BLOWOUT WOULD BE UNLIKELY TO AFFECT THE GLOBAL OR EVEN THE LOCAL CLIMATE, IT WOULD HAVE SEVERE EFFECT ON THE BIOLOGICAL SYSTEM; THIS EFFECT WOULD BE FELT AS FAR WEST AS POINT BARROW, ALASKA.

6. COMMENT: GOC IS OBVIOUSLY CONCERNED ABOUT THIS ENVIRONMENTAL ASSESSMENT BECAUSE IT HAS LOS IMPLICATIONS,
BECAUSE IT COULD PUT CANADA IN AN AWKWARD POSITION
GIVEN ITS ARCTIC WATERS POLLUTION CONTROL ACT AND
BECAUSE US TERRITORY COULD BE GRIEVIOUSLY DAMAGED BY
AN ACCIDDENT. GOC OFFICIALS HAVE INDICATED THAT
PROBABLY THE DEPARTMENT OF INDIAN AND NORTHERN
AFFAIRS WILL GO AHEAD AND ISSUE DRILLING LICENSES
TO START THIS SUMMER DESPITE THE ENVIRONMENTAL
ASSESSMENT. THE ONLY RESTRAIING FACTOR WOULD
BE IF THE GOC CABINET SHOULD DECIDE THAT THE ENVIRONMENTAL RISKS WARRANT A DELAY IN THE PROCESS.

7. CANADIAN ENVIRONMENTALISTS, HOWEVER, MIGHT BE LIMITED OFFICIAL USE

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HOPING FOR ANOTHER RESTRAINING FACTOR: THE
U. S. ON THE BASIS OF THE ASSESSMENT, IT IS OBVIOUS
THAT THE US COULD BE SEVERELY DAMAGED BY CANADIAN
ACTIONS, ACTIONS WHICH MAKE PRIOR CANADIAN INITIATIVES
REGARDING OIL IN THE PUGET SOUND AND EVEN WATER POLLUTION
IN MANITOBA (GARRISON DIVERSION) RING SOMEWHAT HOLLOW.
EMBASSY SUGGESTS THAT DEPARTMENT MIGHT WISH TO TAKE UP
THE PPORTUNITY FOR CONSULTATIONS WITH THE CANADIANS
(APPARENTLY THE DEPT OF INDIAN AND NORTHERN AFFAIRS WAS
OPPOSED TO THE INCLUSION OF THIS SUGGESTION IN
THE AIDE-MEMOIRE), EVEN THOUGH ONCE THE US ISSUES
ITS LICENSES FOR OFFSHORE DRILLING, WE WOULD BE
INVOLVED IN THE SAME ACTIVITY AS CANADA. NEVERTHELESS, THE EMBASSY NOTES THAT THERE IS NOT EVEN A
JOINT OIL SPILL CONTINGENCY PLAN APPLICABLE TO THE

| NORTH SHORE AND THAT IT TOOK A COUPLE OF YEARS T | O. |
|--|----|
| NEGOTIATE ONE FOR THE PLIGET SOLIND AREA         |    |

8. TEXT BEING POUCHED TO EUR/CAN. JOHNSON

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## Message Attributes

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